

## BURNS TELLS OF TRAP SET IN ATLANTIC CITY

After Hearing Detective's Story  
Magistrate Holds Councilman  
for Taking Bribe.

### HAD ORDINANCE PREPARED

Operative Explains Its Introduction  
and Relates Conversation  
with Prisoner Which Was  
Taken by Dictagraph.

(By Telegraph to the Tribune.)  
Atlantic City, May 31.—Proof of the councilman's graft charges which have shaken this resort to its foundations was forthcoming at the arraignment to-day of Councilman Harry Dougherty, who was arrested yesterday because he refused to confess to William J. Burns that he had been implicated with Councilmen Phoebe, Lane, Kessler and Malin in the alleged graft in the passing of an ordinance providing for the reconstruction of the boardwalk with concrete.

The testimony submitted by Frank Smiley, the Burns operative, said to have handled the cash under the name of "Franklin," was so conclusive that Magistrate Borgan, at the end of the hearing, fixed bail in \$2,000 for the appearance of Dougherty before the grand jury.

The hearing place was packed to its capacity when Magistrate Borgan began the proceedings. Dougherty had arrived early, coming with his personal counsel, Frank Soy and Walter Laiton, Jr. William F. Wahl, the complainant, had at his counsel Charles S. Moore, who was assisted by Assistant Attorney General Nelson B. Gaskill, representing the state.

William J. Burns, who was called to the stand immediately after Wahl, began the story by telling of a general investigation planned for this city a year ago for the purpose of disclosing the corruption believed to exist among councilmen and other officials.

Had Boardwalk Ordinance Prepared.

"We became convinced," said Mr. Burns, "that a number of the councilmen were accepting bribes, and I suggested that the boardwalk ordinance, now known as ordinance No. 6, be introduced into council. The work of introducing this ordinance prepared and introduced was left in charge of one of my operatives."

"Which of your operatives had charge of this work?" asked Mr. Moore.

"Frank Smiley, known here under the name of 'Franklin,'" replied Burns.

Councilman Phoebe, pale and greatly agitated, corroborated the testimony of the detective regarding a conversation with Dougherty at the Marlborough-Blenheim.

"Lane and I told him what he had done," said Phoebe, "and we told him he would be wise to follow the same course, but he refused to take our advice and remained silent."

"Did you have any conversation with Dougherty regarding the passing of the boardwalk ordinance before the payment of the bribes?" asked Mr. Moore.

"I told him he would be taken care of," was the almost inaudible response of the councilman.

Smiley positively identified Dougherty as the man who came to his room on April 17 and received ten \$50 bills in return for his vote on the boardwalk ordinance.

Thought Boys Would Have Hard Time.

"When Dougherty entered the room," said Smiley, "he introduced himself, and I asked him what the prospects were for passing the boardwalk measure. He said he thought they were good, but advised me to get as many three-year men as I could, as that would make the whole proposition look better. By three-year men he meant those who had three and not one or two years yet to serve. He said the boys would have a hard time of it in getting the measure through, but he was confident it would be all right in the end. I then counted him out the ten \$50 bills, and he appeared to be in a hurry to get away after thanking me."

The witness then said he had paid Malia his money prior to that time, but had paid Phoebe only \$50 and not \$500.

"Was the money running short?" asked Smiley.

"Oh, no, there was plenty of money," was the detective's reply, "but some of them became scared and failed to show up to get their share."

While this transaction was taking place, Smiley said, two stenographers stationed on the floor adjoining his room were engaged in taking down the conversation with the aid of a dictagraph.

William J. Burns arrived in town last night from Atlantic City. He described the formation and methods of the mythical contracting firm in which exhaustive investigation by the Councilmen failed to reveal a flaw, and expressed complete confidence that the work he had done would be successful.

He denied he had unlicensed freedom about the city and explained that he was present in court under a writ of habeas corpus. His interest in the proceeding, said Mr. Burns, was to preserve the name of Northern Bank, which he said was not a lawyer, but with the help of my God and my conscience I have prepared the papers in this proceeding from the records in the case of the Northern Bank. It does not take much of a lawyer to tell the truth, but it takes more lawyers to make an untrue look like the truth."

The court reserved decision and Robin was taken back to the Tombs.

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## ROBIN DENOUNCES LAWYERS

They in Turn Said Bitter Things  
of Convicted Banker.

Joseph G. Robin, who is under conviction for serving the Northern Bank, appeared in the Appellate Division of the Supreme Court yesterday to press the charges he has filed against several attorneys.

He went to court in charge of a sailor on a writ of habeas corpus, and he did his own talking. The lawyers who figure in the charges made by Robin are Philip A. Rollins, Alfred A. Wheat, Joseph G. Robin, Fulton J. Redman, James M. Gifford, Orion H. Cheney, former Superintendent of the State Banking Department, and two or three others. Some of the charges that the bank wrecker has made are conspiracy to defraud, abetting in the crime of grand larceny and conduct unbecoming members of the bar.

But Robin was not the only one to make charges yesterday. Anson McKook Beard, partner of Mr. Gifford, and also under the Robin charges, said: "This man who sits here comes to pose as a friend of District Attorney Whitman, and he is doing so to build up a false public sympathy. He has been permitted to go free about this city in the face of his crime without legal license. He is here to-day before this court because the man who engineered this proceeding did not have the courage to come himself."

Arthur Fox, who appeared with Mr. Beard for the respondent lawyers, bitterly denounced Robin, who sat within the inclosure for counsel and did not seem to mind the attacks. When his time came he started on a tirade against the men he has accused.

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## LARCENY, SAYS INVENTOR

Edward F. Cragin Held in Bail  
on Richard H. King's Charge.

WANTS HIS \$2,000 FEE BACK

Alleges Failure of Agreement to  
Finance Secret Silver Alloy  
Process.

Edward F. Cragin, president and director of the American Farm Tractor Company and of the New York Finance and Securities Company, was held in \$1,000 bail for further examination yesterday by Magistrate Butts, in the Tombs court, on a charge of grand larceny made by Richard H. King, who lives at No. 28, Clinton Street, Brooklyn. Mr. King is an inventor and promoter, and alleges that Mr. Cragin and promoter have been taken to believe that he could finance a secret process for making an unbreakable alloy of silver.

Mr. Cragin's bail was furnished by the American Surety Company, and his case will come up again on Friday. John W. Hart, formerly an Assistant District Attorney, who is counsel for King, said that the case had been taken to the District Attorney, who had agreed to drop his charges. Mr. King had tried civil procedure. Mr. Hart said that he was much surprised when he learned that a warrant had been issued for his client, and that Mr. Cragin, although himself surprised, had immediately given himself up.

Mr. King obtained an introduction to Mr. Cragin in February and interested him in his alloy. He told Mr. Cragin that the process was a secret one and extremely valuable, and that he wanted his help in organizing the Imperial Silver Company, to which King was to turn over all his rights in the process. Mr. King said that he had spent \$2,000 in perfecting it.

Mr. King went to Mr. Cragin's office, in the American Surety building, at No. 100 Broadway, on March 11, Dr. Edwards, a friend of Mr. Cragin from California, whom Mr. Cragin had talked of the silver alloy project, was present. Dr. Edwards is of a scientific turn of mind, and was greatly interested in the new process. Mr. King's attorney also was present. A contract was drawn up and signed. Part of the contract was read by Mr. Hart in the police court yesterday.

In it Mr. King agreed to pay "as a retainer" \$2,000 to Cragin, who was to promote the process for him. It was also agreed, Mr. King says, that a considerable portion of stock was to be taken over later by Cragin and Edwards.

Mr. Hart said last night that his client was fully convinced at that time of the value of the process, and proceeded at once to boom it. Among others to whom he had pitched the subject was George C. Edwards, a director of the International Silver Company. Mr. Edwards, whose home is in Bridgeport, was interested. Mr. Hart says, to the extent that he suggested an investment of \$25,000. But Mr. Edwards wanted a sample of the alloy first.

Mr. Hart says that his client asked Mr. King for a sample and it was refused. Then Mr. Cragin investigated the proposition, and says that he found reason to believe that the process was not so valuable as he had at first believed. Most of the \$2,000 retainer had been spent in promoting the scheme. Mr. King demanded the money back if Mr. Cragin was going to abandon him. Mr. Cragin refused. Then Mr. King went to the District Attorney.

Mr. King says that when he paid the \$2,000 he believed that Mr. Cragin intended to take up his proposition, and that plans had been made to capitalize the Imperial Silver Company at \$1,250,000, of which \$1,000,000 was to be in common stock and \$250,000 in preferred. His confidence in Mr. Cragin was increased, he said, when he received a letter from Mr. Cragin saying that Mr. Edwards of the International Silver Company, was ready to buy \$25,000 worth of stock. Later, he says, he learned that Mr. Edwards had no such intention. Mr. Hart expects to have Mr. Edwards present at the next hearing.

Mr. Cragin lives at No. 26 Rugby Road, Flatbush. He conducted a series of Saturday discussions at the Republican Club during the winter of 1911, and on the completion of the series his fellow members of the Republican Club gave him a dinner as a compliment to his ability. He wrote to President Roosevelt in September, 1910, opposing the purchase of the Panama Canal. Mr. Cragin favored the Nicaragua route.

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## SAY TRUST CONTINUES

Jobbers Alleged Tobacco Subsidies  
Violate Court Decree.

MANAGEMENT NOT CHANGED

Four Companies Now Fight from  
All Sides, Petition in United  
States Court Asserts.

John A. Locker and Elina Locker, independent tobacco jobbers, under the firm name of E. Locker & Co., applied yesterday to Judge Noyes in the United States District Court for leave to join the Liggett & Myers Tobacco Company and the P. Lorillard Company as parties defendant in the suit brought by the Lockers two years ago against the American Tobacco Company. In that action E. Locker & Co. demanded \$200,000 as treble damages for injuries done to their business through monopolistic practices exercised by the tobacco trust over independent dealers.

Although the suit has been set for trial several times, it has not been decided as yet, and the complainants made this motion to bring before the court a condition which they assert amounts to nothing less than a continuation of the trust that has been decreed dissolved by the federal courts.

In the moving papers Charles Dushkind, attorney for E. Locker & Co., contended that notwithstanding the provisions of the decree which dissolved the old American Tobacco Company, there was practically no change in the situation, except "that where formerly the independent concerns were hampered at by one trust they are now being attacked simultaneously by the several companies created out of the trust. And so these new companies are still continuing the monopoly and control of the jobbing business in greater New York and other places that has been built up by the American Tobacco Company."

The petitioners then cite a letter written by them on April 8, 1912, to the American Tobacco Company, the Liggett & Myers, the Weyman-Bruton and the American Snuff companies, in which they made inquiry whether under the changed conditions as a result of the court decree these companies would be permitted to sell their goods to E. Locker & Co. directly, recognize them as jobbers and deal with them upon that basis.

"From each of these concerns," the petition said, "we received a separate reply, refusing to supply us with goods, each company giving a different reason for continuing the monopoly of the jobbing business through the Metropolitan Tobacco Company."

These proposed new defendants now appear to be a part and parcel of the same old tobacco trust, their methods of doing business are the same as those employed by the American Tobacco Company. Their employment of the same agency for the distribution of their products, as is the case with the Metropolitan Tobacco Company, is, as I am advised, a flagrant violation of the decree of the Circuit Court."

It was further charged in the petition that while the twenty-nine individual defendants in the dissolution suit were enjoined by the decree from continuing their monopoly, the record showed a small group of individuals holding hundreds of thousands of shares of the American Tobacco Company who were not parties to the government's suit, so that neither of the government's suits, nor the decree of the court except in so far as the corporations were affected by it.

The active management of all of the companies into which the trust has been dissolved has gone into the hands of employees and officers of the old trust, the petition charged, and these represented the interests of the group that controlled the trust.

The petition then became sarcastic and said that one of the means employed by these men, in their earnest efforts to restore so-called competition, was for four of the big companies to come into a territory, apparently to compete with one another, but in reality to attack the independent manufacturers simultaneously from all sides.

As a result of this, the complainants said, there have been more failures of independent tobacco jobbers in this city within the last few months than there have been in so many years before.

Judge Noyes set June 7 for hearing of argument on the motion.

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## DATE IN DEFENSE HERE

Poet's Statue Ingloriously Scattered  
About Piers.

STOVER AGAINST PARK SITE

Nettled by Indifference of Government at Rome, He Intimates  
to Italian Delegates.

Park Commissioner Stover considered yesterday many arguments advanced by a committee of Italian citizens interested in the erection of a monument to the poet Dante. At the end of the conference he announced that he would not grant a site until convinced it was for the best interests of the city.

"I have not been convinced," said the Commissioner, "that the Italians as a whole want this monument. In fact, the Italian government will not participate in its erection in any way, and when you come to think that Dante was the greatest Italian of all times, and the government does not care to take part in the unveiling of a monument to him, it is best to consider the reasons why."

Among the Italians who saw the Commissioner were N. Barotti and Theodore P. Quattrone, E. Barotti and Theodore P. Quattrone, E. Barotti, the leading spirit of the undertaking, was not present.

Mr. Stover asked the committee why it was the Italian government had not seen fit to send the statue to this country on a warship. He had been informed some time ago that it was to come that way, he said.

"Instead of that," said the Park Commissioner, "it came on a German vessel."

No Idle Warships.

The Italians said that Italy was using all her war vessels at the present time.

The Commissioner then wanted to know why the Italian government would not take any part in the dedication of the monument. The Italian authorities would take part, he was informed by the delegates, when the suit Carlo Barotti had brought against certain individuals in Rome for allegations they had made had been adjudicated.

Mr. Stover said he understood that Carlo Barotti had brought suit, but it had not been settled yet. He was told it would be continued in August.

In speaking of the attitude regarding the statue Commissioner Stover said:

Mr. Barotti's friends say he has been instrumental in having four other Italian memorials erected in this city, approved by four park commissioners and by four mayors. Now they want to know why I should stand out against accepting the Dante monument and against arranging a site on which to place it.

Regardless of the four park commissioners and the four mayors, I do not intend to provide a site for this monument until I see that its dedication will be for the best interests of the city and will be the unanimous wish of the Italian residents.

May Have to Pay Duty.

At the present time, Mr. Del Papa said, the statue and its pedestal were separated. In fact, there are several sections of the monument on several piers awaiting the action of the Park Commissioner to arrange for their admission to the country by the customs officials. Unless the city accepts the Dante statue, it will have to be subject to duty.

The Italians interested in the project have named several sites which they think would be suitable, among them being Bryant Park, the Mall in Central Park, the 59th street and Fifth avenue plaza and Long Acre Square.

Commissioner Stover declared yesterday that he would not consider for a moment Bryant Park, the 59th street or the Mall suggestions.

Mr. Del Papa said the steamship companies had as yet charged no storage on the Dante statue or its accessories, but something would have to be done soon.

The Commissioner promised to pursue any proofs in behalf of the monument that might be submitted, and the delegation said it would submit some next week.

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## SHIPPING NEWS

Port of New York, Friday, May 31, 1912.

ARRIVED.

Steamer Frank (Br), Barcelona May 25, to Atlantic City and New York. Arrived at 4:30 p.m.

Steamer Volante (Br), Rio Grande do Sul May 24, to New York. Arrived at 4:30 p.m.

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